

Potts, Douglas

From: jenn@spectrumcgllc.com
Sent: Thursday, April 14, 2011 8:11 PM
To: Potts, Douglas; Jason Van Eaton
Subject: Re:

Thanks doug.
Jenn Poeppelmeier
Spectrum Consulting Group

From: "Potts, Douglas" <dpotts@slcec.com>
Date: Thu, 14 Apr 2011 20:06:56 -0500
To: jason@spectrumcgllc.com<jason@spectrumcgllc.com>;
jenn@spectrumcgllc.com<jenn@spectrumcgllc.com>
Subject:

Jason and Jenn,

Please see attached a letter to Sen. Schmitt from MAABA supporting the SB390 legislation. Fyi, they apparently sent a copy of this letter to him as well by mail unbeknownst to me. Just saying...in case you want to get out in front of it. I am out of the office tomorrow but available on my cell. Call 314-620-1929 if you have questions.

Doug



Missouri Asian American Bar Association | ST. LOUIS, MISSOURI

Alexander S.Y. Lee
(314) 880-8071
asl@grstllaw.com

April 14, 2011

FEDERAL EXPRESS

Senator Eric Schmitt
Chairman of Economic Development Committee
Missouri State Senate
201 W. Capitol Avenue, Room 323
Jefferson City, MO 65101

RE: Midwest China Hub Commission

Dear Senator Schmitt:

I am the President of the Missouri Asian American Bar Association (MAABA) and I am writing to express MAABA's strong support for the Midwest China Hub Commission, the effort to establish a China Cargo Hub in St. Louis, and SB390 (the Aertropolis Bill).

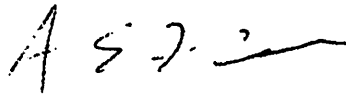
As you know, MAABA is an organization made up of Asian American attorneys, judges, and elected officials. MAABA is dedicated to representing the interest of Asian American attorneys and communities on a state and local level. MAABA also seeks to provide business and professional opportunities for its members and promote professional growth and development. Our members come from a variety of Asian ethnic backgrounds including Mandarin speakers from the Chinese Diaspora. In addition, many of our members were born and raised in Missouri. Thus, we believe we have a unique perspective and the capability to act as a bridge between China and the Midwest.

We have great belief in the Midwest China Hub Commission's mission to bring a China Cargo Hub to St. Louis. It is clear that establishing this hub is a critical step to improving the economy in St. Louis and Missouri as a whole. As such we urge our elected officials to do what is necessary to help the Midwest China Hub Commission succeed in its mission including the passage of SB390 or some form of legislation which would make the China Cargo Hub in St. Louis a reality.

Senator Eric Schmitt
April 14, 2011
Page 2

We would be happy to speak with you further personally regarding our support for this legislation. Thank you very much for your time and consideration.

Very truly yours,

A handwritten signature in black ink, appearing to read 'A S Y Lee', with a long horizontal flourish extending to the right.

Alexander S.Y. Lee
President
Missouri Asian American Bar Association
www.maaba-law.org

Potts, Douglas

From: Mullins, Sean
Sent: Monday, March 21, 2011 12:44 PM
To: Nowak, Tim; Potts, Douglas
Subject: FW: SB 390
Attachments: SB 390 Estimate of Exercise.pptx

FYI – I sent this to Lancaster.

From: Mullins, Sean
Sent: Monday, March 21, 2011 12:44 PM
To: 'Lancaster, David S.'
Subject: SB 390

David,

Could I ask you to look at the attached calculations for SB390?

Is this a plausible scenario? As for trigger points on when to add flights, I am assuming when the 100,000 kilo capacity is near full (per flight).

Please tell me if I am “hot or cold”...

Sean

Sean M. Mullins
Trade Services Director
World Trade Center Saint Louis
121 S. Meramec Avenue, Suite 1111
St. Louis, MO 63105
Office: 314.615.8141
Fax 314.615.8140
smullins@worldtradecenter-stl.com
www.worldtradecenter-stl.com

Jason Van Eaton

From: Michael Hafner <mhafner44@gmail.com>
Sent: Tuesday, March 08, 2011 11:56 AM
To: jason@spectrumcgllc.com
Subject: Re: Call with Steve Stone/David Barklage Tomorrow

Jason,
Left you a voicemail, would you be available at 2:00pm today to catch up with David?

Thanks,
Mike

On Fri, Mar 4, 2011 at 7:12 AM, Jason Van Eaton <jason@spectrumcgllc.com> wrote:
Michael,

Sorry I'm just now responding. Been a crazy week. My day today is packed but I'd be happy to find a time that works for both of us to talk next week.

Monday's pretty full. Shoot me some times that you have available on Tuesday/Wednesday and we'll confirm it.

Thanks,
Jason

Sent via BlackBerry by AT&T

From: Michael Hafner <mhafner44@gmail.com>
Date: Thu, 3 Mar 2011 15:57:03 -0600
To: <jason@spectrumcgllc.com>
Subject: Call with Steve Stone/David Barklage Tomorrow

Jason,
I work for David Barklage and he was hoping to schedule a time to speak tomorrow on the Aerotropolis legislation - SB 390. Would you be available at 9am, 2 or 3pm?

Thanks!
Mike

--
Michael Hafner
mhafner44@gmail.com
314-504-6148

--
Michael Hafner
mhafner44@gmail.com
314-504-6148

Jason Van Eaton

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Tuesday, March 08, 2011 2:31 PM
To: 'mhafner44@gmail.com'
Subject: RE: Call with Steve Stone/David Barklage Tomorrow

I'm free and will await his call.

Jason Van Eaton
P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

From: Michael Hafner [mailto:mhafner44@gmail.com]
Sent: Tuesday, March 08, 2011 2:27 PM
To: Jason Van Eaton
Subject: Re: Call with Steve Stone/David Barklage Tomorrow

Jason, David got hung up in a meeting and just getting out now. He will be calling in the next 5 minutes. I wasn't able to call him to remind him about the 2pm. I'm very sorry for the delay. Please let me know if we need to reschedule. Mike

Sent via BlackBerry by AT&T

From: "Jason Van Eaton" <jason@spectrumcgllc.com>
Date: Tue, 8 Mar 2011 18:05:58 +0000
To: Michael Hafner <mhafner44@gmail.com>
ReplyTo: jason@spectrumcgllc.com
Subject: Re: Call with Steve Stone/David Barklage Tomorrow

2PM. Works for me. Talk to you then.

Sent via BlackBerry by AT&T

From: Michael Hafner <mhafner44@gmail.com>
Date: Tue, 8 Mar 2011 11:56:29 -0600
To: <jason@spectrumcgllc.com>
Subject: Re: Call with Steve Stone/David Barklage Tomorrow

Jason,
Left you a voicemail, would you be available at 2:00pm today to catch up with David?

Thanks,
Mike

On Fri, Mar 4, 2011 at 7:12 AM, Jason Van Eaton <jason@spectrumcgllc.com> wrote:
Michael,

Sorry I'm just now responding. Been a crazy week. My day today is packed but I'd be happy to find a time that works for both of us to talk next week.

Monday's pretty full. Shoot me some times that you have available on Tuesday/Wednesday and we'll confirm it.

Thanks,
Jason

Sent via BlackBerry by AT&T

From: Michael Hafner <mhafner44@gmail.com>
Date: Thu, 3 Mar 2011 15:57:03 -0600
To: <jason@spectrumcgllc.com>
Subject: Call with Steve Stone/David Barklage Tomorrow

Jason,
I work for David Barklage and he was hoping to schedule a time to speak tomorrow on the Aerotropolis legislation - SB 390. Would you be available at 9am, 2 or 3pm?

Thanks!
Mike

--
Michael Hafner
mhafner44@gmail.com
314-504-6148

--
Michael Hafner
mhafner44@gmail.com
314-504-6148

Jason Van Eaton

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Tuesday, March 08, 2011 3:46 PM
To: 'dpmehan@mochamber.com'
Subject: RE: SB 390

I talked to him. Call me.

Jason Van Eaton
P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

From: dpmehan@mochamber.com [mailto:dpmehan@mochamber.com]
Sent: Tuesday, March 08, 2011 3:34 PM
To: Jason Van Eaton
Subject: Fw: SB 390

Sent via BlackBerry by AT&T

From: David Barklage <davidbarklage@gmail.com>
Date: Tue, 8 Mar 2011 13:29:21 -0600
To: <dpmehan@mochamber.com>
Subject: SB 390

Dan,

Would you have some time available this afternoon at 4:00pm to catch up on the Aerotropolis legislation?

Thanks,
David

--

David Barklage
Barklage Company
7925 Clayton Rd.
Suite 200
Clayton, MO 63117

314/605-1960 Assistant, Angela Baumann

Jason Van Eaton

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Wednesday, March 09, 2011 4:31 PM
To: 'Michael Hafner'
Subject: RE: Aerotropolis Documents

My Friday is tough. I've got mtgs at 9:30, 11, 12:15, 2 and 3:30. I'm much more open Monday or Tuesday. Are there times those days that you can suggest?

Jason Van Eaton
P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

From: Michael Hafner [mailto:mhafner44@gmail.com]
Sent: Wednesday, March 09, 2011 2:38 PM
To: jason@spectrumcgllc.com
Subject: Re: Aerotropolis Documents

Jason, What's your schedule like for 9:30am on Friday for a conference call with the lobbying team?

Thanks,
Mike

On Tue, Mar 8, 2011 at 5:17 PM, Michael Hafner <mhafner44@gmail.com> wrote:
Jason,

David wanted me to forward the legislative timeline and narrative to you. This should give you a pretty good overview of the political strategy moving forward. Please let me know if you have any questions or need any additional information. I will be following up with you shortly about your availability for a conference call on Thursday or Friday.

Thanks!
Mike

--

Michael Hafner
Barklage Company
mhafner44@gmail.com
314-504-6148

--

Michael Hafner

Barklage Company
mhafner44@gmail.com
314-504-6148

Jason Van Eaton

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Friday, March 25, 2011 11:17 AM
To: 'Casteel, Chip'; 'Dpmehan@mochamber.com'; 'smstone@stoneleyton.com'; 'shawn.furey@gmail.com'; 'ktuttle@bardgett.net'; 'mhafner44@gmail.com'; 'eschmitt@lathropgage.com'; 'rboyd@snrdenton.com'; 'Johnson, Steve'; 'msk@thekelleygroup.com'; 'Fleming, Dick'; 'mwjones@stlouisco.com'; 'kkokesh@stoneleyton.com'; 'davidbarklage@gmail.com'; 'khaslag@senate.mo.gov'; 'JDHPatek@aol.com'; 'TWorkman@stinson.com'; 'ayoder@mochamber.com'; 'john@bardgett.net'; 'Jenn Poeppelmeier'
Cc: 'Bloehner@mochamber.com'
Subject: RE: Team Aerotropolis Meeting Notice

Here's the conference call line we can use for this meeting:

888-619-1583
Code: 906 751 4895

Thanks,
Jason

From: Casteel, Chip [mailto:ccasteel@stlrcga.org]
Sent: Friday, March 25, 2011 11:03 AM
To: 'Dpmehan@mochamber.com'; 'smstone@stoneleyton.com'; 'shawn.furey@gmail.com'; 'ktuttle@bardgett.net'; 'jason@spectrumcgllc.com'; 'mhafner44@gmail.com'; 'eschmitt@lathropgage.com'; 'rboyd@snrdenton.com'; 'Johnson, Steve'; 'msk@thekelleygroup.com'; 'Fleming, Dick'; 'mwjones@stlouisco.com'; 'kkokesh@stoneleyton.com'; 'davidbarklage@gmail.com'; 'khaslag@senate.mo.gov'; 'JDHPatek@aol.com'; 'TWorkman@stinson.com'; 'ayoder@mochamber.com'; 'john@bardgett.net'
Cc: 'Bloehner@mochamber.com'
Subject: Re: Team Aerotropolis Meeting Notice

Suggest a call-in number for those of us not able to be in JC on Monday morning.

From: Dan Mehan <Dpmehan@mochamber.com>
To: smstone@stoneleyton.com <smstone@stoneleyton.com>; shawn.furey@gmail.com <shawn.furey@gmail.com>; ktuttle@bardgett.net <ktuttle@bardgett.net>; jason@spectrumcgllc.com <jason@spectrumcgllc.com>; mhafner44@gmail.com <mhafner44@gmail.com>; eschmitt@lathropgage.com <eschmitt@lathropgage.com>; rboyd@snrdenton.com <rboyd@snrdenton.com>; Johnson, Steve; msk@thekelleygroup.com <msk@thekelleygroup.com>; Fleming, Dick; Michael Jones <mwjones@stlouisco.com>; kkokesh@stoneleyton.com <kkokesh@stoneleyton.com>; davidbarklage@gmail.com <davidbarklage@gmail.com>; khaslag@senate.mo.gov <khaslag@senate.mo.gov>; Casteel, Chip; JDHPatek@aol.com <JDHPatek@aol.com>; Workman, Tricia A. <TWorkman@stinson.com>; ayoder@mochamber.com <ayoder@mochamber.com>; john@bardgett.net <john@bardgett.net>
Cc: Bev Loehner <Bloehner@mochamber.com>; Amanda Yoder <ayoder@mochamber.com>
Sent: Fri Mar 25 10:43:03 2011
Subject: Team Aerotropolis Meeting Notice

An Aerotropolis team meeting has been scheduled for Monday, March 28th at 10:30 a.m. in the Missouri Chamber of Commerce & Industry building. We are located at 428 East Capitol Ave., Jefferson City, MO 65109. The meeting will be held in the lower level Multipurpose Room. Parking is available on both Capitol Avenue and Jackson Street.

If you are unable to attend this meeting, please contact Amanda at ayoder@mochamber.com or 573-634-3511.

We look forward to seeing you Monday.

Dan

Jason Van Eaton

From: Michael Hafner <mhafner44@gmail.com>
Sent: Thursday, March 10, 2011 8:23 PM
To: smstone@stoneleyton.com; ESchmitt@lathropgage.com; dfleming@stlrcga.org; rboyd@snrdenton.com; davidbarklage@gmail.com; ccasteel@stlrcga.org; sjohnson@stlrcga.org; dpmehan@mochamber.com; mwjones@stlouisco.com; jason@spectrumcgllc.com; Jewell Patek; TWorkman@stinson.com; msk@thekelleygroup.com; ktuttle@bardgett.net; john@bardgett.net
Cc: kkokesh@stoneleyton.com; Kack Haslag; Shawn Furey; ayoder@mochamber.com
Subject: SB 390 - Aerotropolis Lobbying Team Conference Call
Attachments: SB 390 - Summary.doc; SB 390 - Introduced.pdf; Aerotropolis Act-Message F Final.docx; SB 390 Legislative Timeline - Line by Line.doc; Legislative Timeline - 2011 session.xls

We will be having a conference call at 3:00pm tomorrow, Friday, March 11, with the lobbying team for SB 390. I know a couple of you will not be able to join but arrangements will be made to brief you over the weekend. Thank you for making time in your schedules for this important call. I have attached some documents for your reference, which you all should have received earlier this week.

Please dial in at 3:00pm to 712-451-6100, 782280#. Let me know if there are any questions.

Thanks,
Mike

--

Michael Hafner
Barklage Company
mhafner44@gmail.com
[314-504-6148](tel:314-504-6148)

--

Michael Hafner
Barklage Company
mhafner44@gmail.com
[314-504-6148](tel:314-504-6148)

Jason Van Eaton

From: Shawn Furey <shawn.furey@gmail.com>
Sent: Tuesday, March 22, 2011 11:48 PM
To: Eric Schmitt
Cc: shawn.furey
Subject: March 23 Aerotropolis Team Conference Call Agenda and Dial-in
Attachments: 032311 Agenda.doc; SB 390 whip sheet 03172011.xls

Hi All,

We will have a Aerotropolis team conference call on SB 390 tomorrow, Wednesday March 23, at 3:30pm to discuss a number of issues. An agenda is attached. Please dial-in at 3:30pm at 712-451-6100, 782280#. Thanks for making time in your schedule for this important call.

Thank you,

Shawn Furey
Chief of Staff
Office of Senator Eric Schmitt

Jason Van Eaton

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Tuesday, April 05, 2011 5:53 PM
To: 'Michael Hafner'
Subject: RE: Question re: Aerotropolis and ag products

The answer to this question is a moving target and involves many political nuances at the international level.

Bottom line, pork is officially open between the US and China. Beef is not but the word is that it will open soon...but that's been the word for months. Many other trade issues keeping this tied up right now.

I'm happy to answer questions or brief anyone with questions on this. I'll see many of the senators at dinner this evening and will attempt to address this issue.

Thanks,
Jason

Jason Van Eaton
P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

From: Michael Hafner [mailto:mhafner44@gmail.com]
Sent: Tuesday, April 05, 2011 5:33 PM
To: Jason Van Eaton
Subject: Question re: Aerotropolis and ag products

Jason,
A question arose yesterday regarding Aerotropolis on the Chinese not accepting beef from the U.S. I thought you may have some information on this from your previous work.

Is it true that they will not yet accept beef from the United States? Is the ban limited to beef or does it include pork as well? Would be happy to discuss this further with you over the phone if you're available.

Thanks,
Mike

--
Michael Hafner
Barklage Company
mhafner44@gmail.com
314-504-6148

From: Jason Van Eaton [mailto:jason@spectrumcgllc.com]

Sent: 08 April 2011 22:30

To: Stephen Perry

Cc: Steven M. Stone; Michael Jones

Subject: Sen Blunt trip--last week of May

Stephen,

I am meeting with Senator Blunt and his staff in Washington early next week. Do you have any guidance I can share with him beyond what we have discussed in the past?

I hope to have confirmed dates from them by midweek.

Thanks,

Jason

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For more information please visit <http://www.messagelabs.com/email>

Jason Van Eaton

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Thursday, April 14, 2011 4:40 PM
To: Michael Jones; Dan Mehan; Rich_McClure@unigroupinc.com
Subject: MCHC letter from Exec Cmte to Senator Schmitt
Attachments: MCHC Letter to Sen Schmitt v1 041311.doc

Attached is the draft letter as discussed on this week's conference call. Please review and edit as you see fit. The goal is to have it completed and distributed by the end of the day tomorrow.

Rich, by way of background, the decision was made that the Exec Cmte needed to get on the record regarding SB 390. In light of the Business Journal editorial last week, there needs to be a clarification of the Cmsn's position. Jeff Rainford suggested that Ed and Rhonda write a letter directly to the Journal which they are doing and that this be sent to Schmitt but distributed widely throughout the Capital. We decided the Exec Cmte was the best signatory because the whole Commission cannot sign due to the Governor and David Kerr's position of neutrality of the bill.

To speed the process along, we have all your signatures electronically and can add them once all have signed off.

Thanks,
Jason

Jason Van Eaton
P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Monday, April 18, 2011 10:13 AM
To: Dan Mehan
Subject: did you see this?

April 15, 2011

Where's the Evidence That the China Hub Makes Financial Sense?

In August 2010, Mike Jones, chairman of the Midwest China Hub Commission, told the *St. Louis Post-Dispatch* that a key study that would make the "business case" for the China Hub idea was halfway done.

I spent some time looking for that study, or any discussion of its results. Finally, about to give up, I emailed the Midwest China Hub Commission to ask whether the study Jones had promised was available.

Here is the response I received:

The study you refer to is still underway but very close to completion. The St. Louis RCGA is spearheading the impact analysis with possible completion and release of findings to come at the end of next month or June. The findings of the analysis will be made public at that time.

So, despite statements from legislators and special interests that subsidizing freight traffic is a good idea for Missouri, **no study has been published that backs up those statements.**

Right now, state legislators, local politicians, and special interest groups are in a rush to award \$480 million in state subsidies that they say would further the China Hub dream. But the legislative session ends in mid-May, so the promised study won't be done in time for legislators to consider the results before awarding almost half a billion dollars in subsidies.

There's a lot that I don't understand about this tangle of subsidies, but this is perhaps the most mystifying. Legislators who say that they want to keep Missouri fiscally responsible are now pushing to award almost half a billion dollars without any formal attempt to weigh the costs and benefits of the proposal.

From Sen. Eric Schmitt:

This is new. This is new investment. This is new economic activity that we just don't have. When you have zero flights a week and we want to move forward and actually create this kind of international trade hub, which is what it is, that's activity that we don't have now.

What evidence is there to substantiate Schmitt's statements? Has any analysis been done demonstrating that the award of tax credits *would result in increased freight traffic to Saint Louis*?

From Rhonda Hamm-Niebruegge, director of airports at Lambert-Saint Louis International Airport and Ed Monser, president of Emerson:

[The Aertropolis subsidy bill] has the support of organized labor because of the job impact it would bring to Missouri and support from rural legislators because of the opportunity to export Missouri beef and pork, as well as other agriculture products, to countries not currently buying these commodities.

But what evidence is there to prove that this project and related incentives would result in new jobs? What study has been done that demonstrates that China would import Missouri agricultural products if the state spent \$420 million to subsidize the construction and operation of cargo warehouses?

If there were an award for unsubstantiated, overblown commentary, it would go to Rep. Caleb Jones, who told CBS:

It's going to create demand for all of Missouri and our products and goods. Folks from my district are going to be able to load up cattle and drive it to St. Louis and have it in China the next day.

What evidence is there showing that this project and package of incentives will "create demand for all of Missouri"? How do Jones' constituents know that there's a market for their cattle in China? Instead, isn't there a chance the constituents of the 117th district will have to pay roughly \$80 each, which is what this bill will cost every Missourian — and then receive no benefit?

The aerropolis tax credit bill does not *have* to be passed this year. After all, there's no firm commitment from China, the legislation contains hidden costs, and no study has been produced demonstrating that this proposal makes financial sense.

What's the rush?

By Audrey Spalding | 4:08 p.m. | [Comments \(0\)](#) | [Government Spending](#), [Taxes](#) | © 2011

Jason Van Eaton

From: Jeff Rainford <RainfordJ@stlouiscity.com>
Sent: Wednesday, April 20, 2011 1:05 PM
To: Jason Van Eaton; Steven M. Stone
Subject: Re: Hub Commission meeting

Jason, give me a call (314-853-1038) regarding a story that Tim Logan is preparing on Aerotropolis.

Thanks,

Jeff

>>> "Jason Van Eaton" <jason@spectrumcgllc.com> 4/19/2011 11:56 AM >>>

The Hub commission meets tomorrow and I wanted to check with you to see who will give an update on SB 390. I assume one of you can do that but wanted to confirm. Are there others I should contact to be there for the discussion?

FYI—it can be done via conf call if you can't attend in person.

Jason Van Eaton

P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

Jason Van Eaton

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Thursday, April 28, 2011 9:31 AM
To: 'assistant Coleman'; 'assistant Ehlmann'; 'assistant Fleming'; 'assistant Johnson'; 'assistant Jones'; 'assistant Keith'; 'assistant Kerr'; 'assistant McClure'; 'assistant Mehan'; 'assistant Rhonda'; 'assistant Stone'; 'Brain Weiler'; 'Chris Chung'; 'Dan Mehan'; 'David Kerr'; 'Denny Coleman'; 'Doug Potts'; 'Jason Van Eaton'; 'Jeff Rainford'; 'Jennifer George'; 'Joe Pestka'; 'Joyce E. Steiger'; 'Kevin Keith'; 'Lancaster, David S.'; 'Michael Jones'; 'Michael Wang'; 'Rhonda Hamm-Niebruegge'; 'Richard C. D. Fleming'; 'Richard McClure'; 'Sallie Hemenway'; 'Stacey Putnam'; 'Stephen Perry'; 'Steve Ehlmann'; 'Steven M. Stone'; 'Steven S. Johnson'; 'Tim J. Nowak'; 'Tom Irwin'
Subject: Aerotropolis Bill update

As everyone probably knows by now, the Aerotropolis substitute amendment passed the Senate as a part of a larger economic development package early this morning. There are several articles out this morning that review the process and final product. Bottom line, it has now passed the House and Senate but in different forms and different bills. There is still much work to do before this becomes law but last night was a major hurdle.

Thanks to everyone that played a role in this accomplishment.

There were many people involved in making this happen but please join me in recognizing Senator Schmitt's leadership and diligence. Without his absolute commitment to this bill, there is no way we would have gotten it this far.

FYI—there were some changes to the original package that reduced the overall price tag to \$360m over 15 years, but the bulk of the package remained intact.

Thanks,
Jason

Jason Van Eaton
P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

Jason Van Eaton

From: Jeff Rainford <RainfordJ@stlouiscity.com>
Sent: Thursday, April 28, 2011 10:27 AM
To: 'David Kerr'; 'assistant Kerr'; 'Sallie Hemenway'; David S." "Lancaster; Rhonda Hamm-Niebruegge; Stacey Putnam; Vicki Ware; 'Tom Irwin'; 'Michael Wang'; 'Stephen Perry'; 'Chris Chung'; 'assistant Mehan'; 'Dan Mehan'; 'Brain Weiler'; 'Joe Pestka'; 'Kevin Keith'; 'assistant Keith'; 'Jennifer George'; 'Steve Ehlmann'; 'assistant Ehlmann'; 'Denny Coleman'; 'Doug Potts'; 'Joyce E. Steiger'; 'assistant Coleman'; Jason Van Eaton; 'assistant Jones'; 'Michael Jones'; 'Richard C. D. Fleming'; 'assistant Johnson'; 'assistant Fleming'; 'Steven S. Johnson'; 'assistant Stone'; 'Steven M. Stone'; 'Richard McClure'; 'assistant McClure'; 'Tim J. Nowak'
Subject: Re: Aerotropolis Bill update

I want to second what Jason said about the senator.

As he said, we have more work to do.

But, the Hub Commission deserves a great deal of credit for the work on this legislation, and putting us in a position to be able to use it.

I will not be able to attend the award ceremony. But, it is well deserved.

Thanks,

Jeff

>>> "Jason Van Eaton" <jason@spectrumcgllc.com> 4/28/2011 9:31 AM >>>

As everyone probably knows by now, the Aerotropolis substitute amendment passed the Senate as a part of a larger economic development package early this morning. There are several articles out this morning that review the process and final product. Bottom line, it has now passed the House and Senate but in different forms and different bills. There is still much work to do before this becomes law but last night was a major hurdle.

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FYI—there were some changes to the original package that reduced the overall price tag to \$360m over 15 years, but the bulk of the package remained intact.

Thanks,
Jason

Jason Van Eaton
P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

Jason Van Eaton

From: Fleming, Dick <dfleming@stlrcga.org>
Sent: Thursday, April 28, 2011 12:56 PM
To: Jason Van Eaton
Cc: assistant Coleman; assistant Ehlmann; Butchko, Karen; Holyfield, Felicia; assistant Jones; assistant Keith; assistant Kerr; assistant McClure; assistant Mehan; assistant Rhonda; assistant Stone; Brain Weiler; Chris Chung; Dan Mehan; David Kerr; Denny Coleman; Doug Potts; Jason Van Eaton; Jeff Rainford; Jennifer George; Joe Pestka; Joyce E. Steiger; Kevin Keith; 'Lancaster, David S.; Michael Jones; Michael Wang; Rhonda Hamm-Niebruegge; Richard McClure; Sallie Hemenway; Stacey Putnam; Stephen Perry; Steve Ehlmann; Steven M. Stone; Johnson, Steve; Tim J. Nowak; Tom Irwin
Subject: Re: Aerotropolis Bill update

Concur on kudos to Senator Schmitt. By phone, he joined a panel of Ed Monser, Mayor Slay, Jeff Rainford, Rhonda, David Barklage, Steve and me at the RCGA Board of Directors meeting this morning in debriefing our Board on the important breakthroughs that took place last night in the Senate.

Congrats and thanks to all who have and continue to work so hard to get us to this point.

Dick

Sent from my iPhone

On Apr 28, 2011, at 9:26 AM, "Jason Van Eaton"

<<<mailto:jason@spectrumcgllc.com>>jason@spectrumcgllc.com<<mailto:jason@spectrumcgllc.com>>> wrote:

As everyone probably knows by now, the Aerotropolis substitute amendment passed the Senate as a part of a larger economic development package early this morning. There are several articles out this morning that review the process and final product. Bottom line, it has now passed the House and Senate but in different forms and different bills. There is still much work to do before this becomes law but last night was a major hurdle.

Thanks to everyone that played a role in this accomplishment.

There were many people involved in making this happen but please join me in recognizing Senator Schmitt's leadership and diligence. Without his absolute commitment to this bill, there is no way we would have gotten it this far.

FYI—there were some changes to the original package that reduced the overall price tag to \$360m over 15 years, but the bulk of the package remained intact.

Thanks,
Jason

Jason Van Eaton
P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

Jason Van Eaton

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Thursday, April 28, 2011 9:31 AM
To: 'assistant Coleman (MWalsh@slcec.com)'; 'assistant Ehlmann (vhuesemann@sccmo.org)'; 'assistant Fleming (kbutchko@stlrcga.org)'; 'assistant Johnson (fholyfield@stlrcga.org)'; 'assistant Jones (eshollins@stlouisco.com)'; 'assistant Keith (Sharon.Monroe@modot.mo.gov)'; 'assistant Kerr (dawn.verbey@ded.mo.gov)'; 'assistant McClure (Susan_Falcone@unigroupinc.com)'; 'assistant Mehan (ayoder@mochamber.com)'; 'assistant Rhonda (vsware@flystl.com)'; 'assistant Stone (kkokesh@stoneleyton.com)'; 'Brain Weiler (Brian.Weiler@modot.mo.gov)'; 'Chris Chung (chris@missouripartnership.com)'; 'Dan Mehan (dmehan@mochamber.com)'; 'David Kerr (david.kerr@ded.mo.gov)'; 'Denny Coleman (dcoleman@slcec.com)'; 'Doug Potts (dpotts@slcec.com)'; 'Jason Van Eaton (jason@spectrumcgllc.com)'; 'Jeff Rainford (rainfordj@stlouiscity.com)'; 'Jennifer George (jgeorge@sccmo.org)'; 'Joe Pestka (joseph.pestka@modot.mo.gov)'; 'Joyce E. Steiger (jesteiger@slcec.com)'; 'Kevin Keith (Kevin.Keith@modot.mo.gov)'; 'Lancaster, David S.' (DSLancaster@flystl.com)'; 'Michael Jones (mwjones@stlouisco.com)'; 'Michael Wang (Michael@jjp-ltd.com)'; 'Rhonda Hamm-Niebruegge (rkhamm-niebruegge@flystl.com)'; 'Richard C. D. Fleming (dfleming@stlrcga.org)'; 'Richard McClure (richard_mcclure@unigroupinc.com)'; 'Sallie Hemenway (sallie.hemenway@ded.mo.gov)'; 'Stacey Putnam (SLPutnam@flystl.com)'; 'Stephen Perry (stephen@lexcorltd.com)'; 'Steve Ehlmann (sehlmann@sccmo.org)'; 'Steven M. Stone (smstone@stoneleyton.com)'; 'Steven S. Johnson (sjohnson@stlrcga.org)'; 'Tim J. Nowak (tnowak@worldtradecenter-stl.com)'; 'Tom Irwin (tirwincp@gmail.com)'
Subject: Aerotropolis Bill update

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Thanks,
Jason

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P.O. Box 7056
Columbia, MO 65205-7056

573/256-2111 Work
573/808-3922 Cell

Jason Van Eaton

From: Jason Van Eaton <jason@spectrumcgllc.com>
Sent: Monday, May 09, 2011 11:31 AM
To: Stephen Perry; Rhonda Hamm-Niebruegge (rkhamm-niebruegge@flystl.com); Michael Jones; Rich_McClure@unigroupinc.com; Dan Mehan; 'Fleming, Dick'; 'TNowak@worldtradecenter-stl.com'; Steven M. Stone (smstone@stoneleyton.com); Jeff Rainford (rainfordj@stlouiscity.com)
Cc: 'Jenn Poeppelmeier'
Subject: MCHC Working Group Conference Call agenda--RESCHEDULED
Attachments: MCHC Exec Cmte Conf Call 051011.docx

Due to the visit by the Shanghai FID, we are rescheduling to have a working group conference call from tomorrow to exactly one day later, Wednesday, May 11th, at 9:30 AM EST. The agenda is attached.

Conference call numbers for tomorrow's call:

Calling from USA: 1-719-457-0613
Code: 310 998#
Calling from UK: 20 7082 0222
Code: 310 998#

Jason Van Eaton

From: Jones, Mike <MWJones@stlouisco.com>
Sent: Thursday, April 28, 2011 9:59 AM
To: 'jason@spectrumcgllc.com'
Subject: RE: SB390 Last Night

Good piece of work, they did the right thing. As Mr Roberts would say, The lesson boys & girls, is pigs get fat and hogs get slaughtered"

From: Jason Van Eaton [mailto:jason@spectrumcgllc.com]
Sent: Thursday, April 28, 2011 9:56 AM
To: Jones, Mike
Subject: Re: SB390 Last Night

They cut the interest portion (\$120m) out of the real estate provisions. Still a good deal for land owners but much more palatable for those with concern on that. Also lost the payments for attys fees, developer pmts, accounting, etc. All in all, a good streamlined bill. \$360m down from \$480. It also added a slight increment increase to the freight forwarder package.

Rich, I know you're overseas but wanted you to know this made it through in the wee hours this morning.

Early afternoon yesterday, David Farr came around and made calls in support of the compromise.

David Kerr was a help when 5 KC senators wanted a "retention" bill added for their region. They got it and sat down. (Had threatened to filibuster or offer amend adding KCI to Aerotropolis).

Still real challenges for this massive eco devo bill in the house and them conference.

Sent via BlackBerry by AT&T

From: "Jones, Mike" <MWJones@stlouisco.com>
Date: Thu, 28 Apr 2011 09:07:24 -0500
To: 'Jason Van Eaton' <jason@spectrumcgllc.com>; Dan Mehan <dpmehan@mochamber.com>
Subject: SB390 Last Night

What was the final score? What got cut?

From: Jenn Poeppelmeier <jenn@spectrumcgllc.com>
Sent: Tuesday, May 10, 2011 12:48 PM
To: Jason Van Eaton
Subject: FW: St. Louis Business Journal article

For the China Hub, \$1.5 million a year and still counting

St. Louis Business Journal

by Greg Edwads

May 6, 2011

Steve Stone and his Clayton law firm, Stone, Leyton and Gershman, have contracts worth up to \$400,000 from the Midwest-China Hub Commission, the city of St. Louis and the RCGA for work related to securing air cargo flights at Lambert-St. Louis International Airport.

Stone's contract with the China Hub Commission, for business consulting, is for a maximum of \$15,000 a month, or \$180,000 a year. His work for the city, for writing legislation that will provide tax incentives for the effort, is for \$100,000, and his contract with the RCGA will be in the range of \$100,000 to \$120,000 this year, Stone said in an email to the Business Journal.

"Although I personally have provided most of the service under these contracts, I have had assistance from two other attorneys in our firm in the work for the city and for the RCGA," Stone wrote. "I should also note that our firm's billings for all this work reflect a six-figure subsidy on our part, which we have been pleased to provide because of what we believe to be the crucial importance of this project to the future of the St. Louis area."

That's because Stone is charging less for the work than he normally charges clients, said **Mike Jones**, chairman of the China Hub Commission. "His \$15,000 a month is a cap," Jones said. "For example, since December 2010, he has billed us for only \$5,000, total," in part because of Stone's \$100,000 contract with the city for writing legislation.

"He's not double dipping," Jones said. Half of the city's contract with Stone is being funded by the St. Louis Development Corp. and half is from money from an existing contract with a Washington, D.C., lobbyist who works on behalf of

Lambert and did not use all of his billable hours, **Jeff Rainford**, the mayor's chief of staff, said last week.

The commission has an annual operating budget of about \$1.5 million, including three major contracts totaling \$804,000 a year, Jones said. In addition to Stone's contract, the others are for \$180,000 a year with **Jason Van Eaton**, the commission's executive director, and his Spectrum Group firm, and for \$450,000 a year with London Export Corp. and **Stephen Perry**, a relative of Stone and a British exporter whose family has long and deep experience in Chinese trade.

The commission is funded by federal grants and annual contributions of \$100,000 from its members, which include St. Louis County, Civic Progress, the RCGA, the Missouri Partnership, the Missouri Chamber of Commerce, the Missouri Department of Transportation and the Missouri Department of Economic Development. St. Charles County also is a member, though it pays a reduced membership fee, and the St. Louis County Economic Council and the World Trade Center are included under St. Louis County's \$100,000 annual contribution.

A cargo director at the airport also receives about \$150,000 a year from funds provided by some of the commission members, said **Denny Coleman**, president and chief executive of the St. Louis County Economic Council, which does the commission's back office work, such as keeping track of expenditures.

The hub effort also has received significant in-kind contributions, Jones said. "For example, the Missouri Department of Transportation has been integral to the Chinese visits and the presentations, donating a lot of staff time," he said. "If we had to buy everything that has gone into this, the cost would be way more."

As for the RCGA contract, Stone said, it is limited to work done between March 1 through May 13 on the state legislation, the Aerotropolis Trade Incentive and Tax Credit Act, providing tax incentives for foreign trade and warehouses at Lambert. "The assignment was to advance the Aerotropolis bill through the legislature and make whatever technical changes were needed to obtain passage," Stone said. The contract is for a maximum of \$170,000, the RCGA said, and Stone said he expects to bill for no more than \$100,000 to \$120,000. He has been paid \$30,000 so far.

Steve Cousins, a partner at Armstrong Teasdale and general counsel to the RCGA, said the deal with Stone was "designed to push the Aerotropolis bill across the finish line."

Gary Broome, the RCGA's vice president of communications, said, "RCGA agreed to help because of our strong support for the bill and our confidence in Mr. Stone's skills."

Both the Missouri House and Senate have passed tax incentives for foreign trade through Lambert, though differences in the bills' details must be resolved for it to pass. For example, the House version includes \$480 million in incentives, and the Senate version is for \$360 million in incentives.

2011 Legislative Timeline - MO Legislature

Legislative Timeline	Senate Bill Filed, 2nd Read & Referred to Committee	Committee Hearing, Committee vote, bill turned into Pro Tem	Spring Break	Formal calendar, Perfection, Fiscal Oversight Committee, 3rd read and passes	Bill 1st Read in House, 2nd read and referred to committee	Committee hearing	Committee vote, bill turned into Speaker, Assigned to Rules Committee	Voted out of Rules, turned in to the floor	House calendar, Perfected, 3rd read for final vote	Final Week: Conference Committee Assignments, Hearings, & Final Votes in both chambers
Deadline*	Week 1 - 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
Start of week	February 28	March 14	March 21	March 28	April 4	April 11	April 18	April 25	May 2	May 9
*Estimated weeks										
Political Groups										
STL Links										
Key RCGA Membership	X									
STL County Executive Charlie Dooley	X									
Civic Progress	X									
RBC - Governance	X									
Hub Commission	X									
Senate										
Key leadership R & D:										
Rob Mayer	X									
Tom Dempsey	X									
Ron Richard	X									
Eric Schmitt	X									
Brian Munzliner (Ag Chair)	X									
Bill Stouffer (Transportation Chair)	X									
Brad Lager (Commerce Chair)	X									
Victor Callahan	X									
Possible Opposition Senators:										
Jason Crowell	X									
Chuck Purgason	X									
STL Delegation:										
Scott Rupp	X									
Jim Lembke	X									
John Lamping	X									
Jane Cunningham	X									
Brian Nieves	X									
STL Dem Delegation										
Maria Chappelle-Nadal	X									
Tim Green	X									
Joe Keaveny	X									
Robin Wright-Jones	X									
Eco-Devo Committee Members:										
Ron Richard		X								
Bob Dixon		X								
Jack Goodman		X								
Luann Ridgeway		X								
Ryan McKenna		X								
House										
Key leadership:										
Steve Tilley				X						
Tim Jones				X						
John Diehl, Rules Chair				X						
Ryan Silvey, Budget Chair				X						
Casey Guemsey, Agri-Business Chair				X						
Sally Faith, Transportation Chair				X						

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Start of week	February 28	March 14	March 21	March 28	April 4	April 11	April 18	April 25	May 2	May 9
*Estimated weeks										
Ann Zerr, Eco Devo Chair				X						
Caleb Jones, Eco Devo Vice-Chair				X						
Key Dem Members										
Mike Talboy				X						
StL Dem Delegation										
Tishaura Jones				X						
Mike Colona				X						
Chris Carter				X						
Jamilah Nasheed				X						
Eco-Devo Committee Members:										
Berry						X				
Brandom						X				
Brown (Michael)						X				
Brown (Wanda)						X				
Carter						X				
Curtman						X				
Fraker						X				
Hough						X				
Kratky						X				
Lauer						X				
Leara						X				
Long						X				
McGeoghegan						X				
McGhee						X				
Nasheed						X				
Redmon						X				
Rizzo						X				
Schamhorst						X				
Schieber						X				
Schneider						X				
Smith						X				
Swearingen						X				
Wallingford						X				
Webber						X				
StL Dem Delegation										
Gov. Nixon			X							
David Kerr			X							
Lt. Gov Kinder			X							
StL Dem Delegation										
MAM			X							
AIM			X							
MO Chamber			X							
NFIB			X							
MO Truckers			X							
StL Dem Delegation										
St. Louis AGC			X							
MO AGC			X							
StL Dem Delegation										
MO Farm Bureau			X							
MO Pork Producers Association			X							

EXECUTIVE SUMMARY

Aerotropolis

The Aerotropolis Trade Incentive And Tax Credit Act

Background

- **The Need For New Economic Development Tools that Create Improved Trade Links to the Rest of the Globe and More Missouri Jobs**

This Act will provide new economic development tools which will enable Missouri business and agriculture to compete in new ways in a rapidly shifting global economy.

The Act will provide increased access and reach into global markets for Missouri agriculture and manufacturing while drawing new trade, investment and **jobs** into Missouri from abroad and from other regions of the U.S.

The Act seeks to leverage St. Louis' uncongested Airport ("Lambert"), and its enviable multi-modal reach into mid-America--- into a global port of entry or 'gateway' for the import, export and distribution of goods from around the world—and, in so doing, the legislation takes timely and necessary steps to secure a new and important place in global trade for all Missouri.

- **The Catalytic Economic Effect of Air Freight**

The Act provides innovative incentives that are intended to grow Missouri and the St. Louis region, with its UNIQUE strategic geography and transportation assets, into a world-class international air freight gateway and regional supply point, or "aerotropolis".

The catalytic economic development potential of air freight is well known; its impact on the performance and efficiencies across the whole spectrum of economic activity is well documented (see attached WSJ Article, dated February 26 and 27). An RCGA commissioned Economic Impact Analysis will present a wide-angled assessment of the future value of a global air cargo port of entry and "gateway" to the St. Louis region and to the State of Missouri.

Air transport improves the efficiency of the supply chain and shortens delivery times, increasing access to new markets and the creation of **new jobs**.

Viable air transport links are also a key consideration in influencing where international companies choose to invest.

- **The Objective is Bigger than China; Bigger than the Start-Up Proposed by China at Lambert**

In recent years, there has been much discussion of and support for “The Big Idea” and its goals of creating transportation and deeper commercial links with China.

China would be a great first, but this Act takes a more global view and provides a broader, but strategically focused, offering that is designed to also link us to the cargo planes, airports and commercial interests of other parts of the Globe. It is designed to grow early, twice a week, flight activity into a more robust twenty or more flights per week. More incoming flights lead to reduced shipping costs and more competitively priced Missouri exports---leading to greater worldwide demand for Missouri manufactured products.

While the specific incentives proposed by the Act are the mechanism that will actually make the achievement of “gateway” status possible, the message that the passage of the Act will send to Brazil, Russia, India, Asia, the foreign air freight carriers, the international freight forwarders, importers, and exporters is equally important and cannot be underestimated—it will say that Missouri has made a meaningful financial commitment to claiming an important place in the worldwide transportation and supply network. The creation of that transportation link will enable Missouri to become the Midwest commercial center for exporting agriculture, manufactured products, and technology to South America, India, Russia and China.

The Act will cause both domestic and foreign commercial interests to increasingly view St. Louis and Missouri as the logical place for their operations and investments as they make their supply-chain location, relocation and investment decisions. If successful, this legislation will revitalize the St. Louis region and make St. Louis and Missouri major centers of commerce---as they were at the turn of the 20th century.

- **Conclusion – Quick Action is Needed or This Will Be Done by Some Other Midwestern State**

The Act and the new economic development tools that it brings should be acted on quickly. China, although not our only targeted partner, is currently gauging the level of our commitment and the level of our understanding of the expanding nature of world trade. China, and others, are asking whether we can become serious partners in developing a new trade lane with new trade flows. We should act now and not be left again asking why we are not growing Missouri jobs.

The Act incorporates numerous taxpayer protections, including caps, sunsets, high qualification and verification standards, and helpful application deadlines that facilitate budget planning.

How the Act would Work

The Act provides a mechanism to attract and grow the volumes of air cargo shipped out of and into Lambert on international flights-air exports to foreign destinations and air imports from foreign destinations.

The Act provides the means to enable Lambert to capture an important share of Midwestern air-exports---those goods that are currently being shipped to foreign destinations thru other Airports in the Midwest---by offering incentives to the freight forwarders that make the outbound Airport routing decisions---to route and re-route their shipments, via truck, to Lambert

The Act also provides the means to enable Lambert to capture an important share of Midwestern air-imports---those goods that are currently being shipped from foreign destinations to other Airports in the Midwest---by offering incentives to the “importers” that make the inbound Airport routing decisions. The incentives would be used by the importers to locate their facilities within the St. Louis region – facilities that receive, hold and distribute their inbound shipments.

The short-term incentives in this Act will attract long-term investment, new construction, and create new permanent jobs that will expand Missouri’s tax base to help fund critical services, schools, and universities for decades.

Incentives

There are 2 fundamental types of tax credits included in the Act.

- **Air Export Tax Credits – Tax Credits to Incentivize the Exporting of Freight**

An “Air Export Tax Credit” will be issued to provide incentives for freight forwarders to choose Lambert for exporting freight to international destinations. A freight forwarder is an entity that manages the transportation of cargo from the place of receipt to the place of destination. The credit will be based on the chargeable cost of the shipment of a kilo of freight (a “chargeable kilo”) on “Qualifying Outbound Flights,” which can only be direct flights to an international destination.

- The “Air Export Tax Credit” rates will be assessed at 25¢ for each chargeable kilo, and 30¢ for each chargeable kilo of perishable freight. The perishable freight will consist of agricultural products, live animals and/or processed meat products. These rates will be indexed each year depending on the cost of fuel.
- Expedited, but rigorous, procedures will be established to allow the claiming “freight forwarders” to file applications for the Air Export Tax Credits and receive the issuance of the tax credits within 5 business days of the departure of the Qualifying Outbound Flight.
- The Airport Export Tax Credits are annually capped, sunset on a specified date, are transferable and may be carried forward for the 6 years succeeding the issuance of the tax credits.

- **Tax Credits and Tax Incentives for Buildings Developed to Conduct Cargo Activities**

Incentives will be issued or granted for new construction within Gateway Zones of 3 types of qualifying facilities described below. The qualifying facilities are also known as “Eligible Facilities”.

- **Types of Facilities**

- “Gateway Facilities”.
- ”Cold-Chain Facilities” (which will contain refrigeration equipment for maintaining temperatures for processed food and agricultural products).
- ”Assembly and Manufacturing Facilities”.
- A “Gateway Zone” is an area designated to receive incentives under the Act, which must be within either: (1) a foreign trade zone within 50 miles of an airport; (2) a site of at least 100 contiguous developable acres within 50 miles of an airport; (3) a site of at least 100 contiguous or noncontiguous developable acres located within a designated urban renewal area or redevelopment area under an economic incentive law; (4) an area within the boundaries of an airport; or (5) an area owned or managed by the Port Authority of the City of St. Louis.
- In order for a “Gateway Facility” to qualify for incentives, Level 1 Air Cargo Activity or Level 2 Air Cargo Activity must occur within the facility.
- Level 1 Air Cargo Activity is where at least 60% of the total distribution of goods and products at an Eligible Facility consist of:
 - (i) chargeable kilos shipped from that Eligible Facility, on a Qualifying Outbound Flight by the owner of , or any tenant in, such Eligible Facility; and/or
 - (ii) chargeable kilos shipped on a Qualifying Inbound Flight to the owner of, or any tenant in, that Eligible Facility (whether or not the inbound shipment is stored at any time within such Eligible Facility).
- Level 2 Air Cargo Activity is where at least 30% of the total distribution of goods and products at an Eligible Facility consist of the same 2 types of shipments. A “Qualifying Inbound Flight” is an all cargo flight from an international destination to the Airport.

- In order to qualify for incentives, a “Cold-Chain Facility” must have equipment for maintaining necessary temperatures for the processing, packaging or distribution of temperature-sensitive products with at least 80% of the usable square footage of such facility being refrigerated.
- In order to qualify for incentives, an “Assembly and Manufacturing Facility” must receive a majority of its production components through at least two modes of multimodal commerce and/or must ship a majority of its finished products through at least two modes of such multimodal commerce.

▪ **Incentives Relating to Eligible Facilities**

- The owners of Eligible Facilities that annually meet or exceed Level 1 Air Cargo Activity and satisfy certain other criteria are eligible to annually receive tax credits equal to 5% of the costs of the development and construction of that facility not to exceed, in the aggregate, 25%, of such costs during the relevant Eligibility Period.
- The Eligibility Period will be a time period not to exceed 8 years, which will begin to run on the date on which a certificate of occupancy is issued for each Eligible Facility and will continue for the next 7 calendar years thereafter.
- If an Eligible Facility receives a certificate of occupancy prior to the sunset of the program, the owners or tenants of that Eligible Facility or the entities operating within that Eligible Facility may then seek the tax credits and tax incentives for the remaining term of the Eligibility Period notwithstanding the prior sunset of the program.
- The owners of Eligible Facilities that annually meet or exceed Level 2 Air Cargo Activity and/or satisfy certain other criteria are eligible to annually receive tax credits equal to 3% of the costs of development and construction of that facility not to exceed, in the aggregate, 15% of such costs during the relevant Eligibility Period.
- If an Eligible Facility has an increase in volume from Level 2 Air Cargo Activity to Level 1 Air Cargo Activity in any given year, the owner of the Eligible Facility will be eligible to receive the greater 5% facility tax credits for that year.
- The owners of Eligible Facilities are eligible to receive tax credits equal to 75% of the qualifying interest costs for a qualifying loan for up to 3 years during the Eligibility Period.
 - Qualified interest costs cannot exceed 7% per annum.

- Qualified loan amounts are limited to the principal amount of loans obtained in connection with the acquisition, development and construction of an Eligible Facility up to 60% percent of the eligible costs of such facility, without regard to the actual principal amount of the loan.
- Eligible costs for an Eligible Facility are the costs associated with the acquisition, development and construction of an Eligible Facility.
- The Eligible Facility tax credits and the Interest Cost tax credits are annually capped, sunset on a specified date, are transferable and may be carried forward for the 6 years succeeding the issuance of the tax credits.,
- **Incentives Relating to Business Operations within Eligible Facilities**
 - The Act also provides additional state incentives at no new cost to the state because the incentives would only be based on business operations at new facilities that do not currently exist.
 - The State of Missouri will provide income tax and franchise tax exemption for any entity operating within, or any tenant in, an Eligible Facility for each year during the Eligibility Period.
 - Any entity operating within, or any tenant in, an Eligible Facility may retain 50% of the state income taxes withheld on behalf of employees of such entity or tenant for each year during the Eligibility Period.

Accountability

The Act includes numerous taxpayer accountability measures as set forth below.

- **Annual Caps for Tax Credits Prior to Sunset of Program**

- An annual cap of Air Export Tax Credits as follows:
 - (1) \$3.6 million for the fiscal year beginning on or after July 1, 2011, but ending on or before June 30, 2012;
 - (2) \$4.2 million for the fiscal year beginning on or after July 1, 2012, but ending on or before June 30, 2013;
 - (3) \$5.4 million for the fiscal year beginning on or after July 1, 2013, but ending on or before June 30, 2014; and

- (4) The greater of \$1.2 million per weekly qualifying outbound flight or \$3.6 million for all fiscal years beginning on or after July 1, 2014.
- An annual cap of Eligible Facility Tax Credits as follows prior to the sunseting of the program:
 - (1) \$6 million for the taxable year beginning on or after January 1, 2013, and ending on or before December 31, 2013;
 - (2) \$12 million for the taxable year beginning on or after January 1, 2014, and ending on or before December 31, 2014;
 - (3) \$15 million for the taxable year beginning on or after January 1, 2015, and ending on or before December 31, 2015; and
 - (4) \$20 million for all taxable years beginning on or after January 1, 2016, but ending on or before December 31, 2019.
- The tax credits for the interest cost associated with the acquisition, development and construction of the facilities will have an annual cap of as follows prior to the sunseting of the program:
 - (1) \$3 million for the taxable year beginning on or after January 1, 2013, and ending on or before December 31, 2013;
 - (2) \$6 million for the taxable year beginning on or after January 1, 2014, and ending on or before December 31, 2014;
 - (3) \$9 million for the taxable year beginning on or after January 1, 2015, and ending on or before December 31, 2015; and
 - (4) \$10 million for all taxable years beginning on or after January 1, 2016, but ending on or before December 31, 2019.
- The cap cannot be exceeded. If authorized tax credits exceed the cap in a given year, they will be carried forward into the subsequent year without regard to the sunseting of the program.

- **Annual Caps for Tax Credits after Sunset of Program**

- An annual cap of Facility Tax Credits as follows after the sunseting of the program:
 - (1) \$30 million for all taxable years beginning on or after January 1, 2020, but ending on or before December 31, 2025; and

(2) \$7 million for the taxable year beginning on or after January 1, 2026, and ending on or before December 31, 2026.

- The tax credits for the interest cost associated with the acquisition, development and construction of the facilities will have an annual cap of as follows after the sunseting of the program:

(1) \$10 million for all taxable years beginning on or after January 1, 2020, but ending on or before December 31, 2025; and

(2) \$2 million for the taxable year beginning on or after January 1, 2026, and ending on or before December 31, 2026.

- **Sunset Dates for Incentives**

- The sunset of Air Export Tax Credits in 8 years.
- The sunset of Facility Tax Credits in 8 years.
- The sunset of the tax credits for the interest costs related to loans for the acquisition, development and construction of facilities in 8 years.
- The sunset of exemption from income and franchise taxes in 8 years.
- The sunset of retention of withholding taxes in 8 years.

- **Process For Filing For Incentives**

- Owners of, or tenants in, or entities operating within, an Eligible Facility must file for the tax credits and tax incentives by December 31st.
- The Missouri Department of Economic Development will issue any of the above tax credits and tax incentives on or before July 15th of the fiscal year following such filing date to assist with budget planning.
- This process eliminates the unknown cost factors and allows the legislature to know the actual costs of the program annually before adopting the budget unlike other tax incentive programs.
- The tax incentive program for freight forwarders requires federal customs manifests to verify the shipping threshold requirements. Those manifests are difficult to secure without extensive documentation and verification.

- **Possible Recapture of Withholding Taxes**

- If an Eligible Facility does not satisfy the requirements for the particular type of facility that the Eligible Facility is, the Missouri Department of Economic Development may recapture the amount of the state income tax that has been retained by the entity operating within, or a tenant in, the Eligible Facility for that year.

SB 390	Authorizes tax incentives to encourage foreign trade
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Sponsor:	<u>Schmitt</u>	Co-Sponsor(s)	
LR Number:	1807S.011	Fiscal Note:	
Committee:			
Last Action:	3/1/2011 - S First Read--SB 390-Schmitt, et al	Journal Page:	<u>S358</u>
Title:		Calendar Position:	70
Effective Date:	August 28, 2011		

[Full Bill Text](#) | [All Actions](#) | [Available Summaries](#) | [Senate Home Page](#) | [List of 2011 Senate Bills](#)

Current Bill Summary

SB 390 - This act establishes the Aerotropolis Trade Incentive and Tax Credit Act, which authorizes the City of St. Louis or any county to designate certain areas as gateway zones. Any such municipality that designates an area as a gateway zone will be required to establish a board of supervisors that will annually levy special assessments on facilities located within the zone which receive benefits provided under the act. Revenues derived from the special assessments will be expended to promote and advertise the gateway zone.

For all taxable years beginning on or after January 1, 2011, the act authorizes air export tax credits for freight forwarders in an amount equal to twenty-five cents per chargeable kilo shipped on a qualifying outbound flight. In lieu of the previously mentioned tax credit, a freight forwarder will be entitled to an air export tax credit equal to thirty cents per chargeable kilo if the shipment contains perishable freight. The department of economic development is required to adjust the tax credit amounts based upon fluctuations in fuel costs for over-the-road transportation. In order to receive air export tax credits, freight forwarders must file an application with the department containing the master airway bill for the shipment. The act requires the department to establish procedures to allow freight forwarders to receive air export tax credits within five business days of the departure of the qualifying flight.

The total amount of air export tax credits which may be authorized under the act cannot exceed sixty million dollars. The act establishes fiscal year caps on issuance of air export tax credits, and to the extent that in any given fiscal year more tax credits are authorized than may be issued, the amount in excess of the cap on issuance will be carried forward for issuance in the following fiscal year. The authorization of air export tax credits is prohibited after January 1, 2019, but the act allows for the subsequent issuance of any tax credits which are authorized prior to such date.

The act provides incentives for owners and tenants of qualifying facilities located within a gateway zone in the form of tax credits, retained withholdings taxes, and income and corporate franchise tax exemptions. For all taxable years beginning on or after January 1, 2013, any tenant or entity operating

within an eligible facility which satisfies the requirements of the act will be entitled to an exemption from state income and corporate franchise taxes for a period of up to seven years. Such a tenant or entity will also be entitled to retain fifty percent of employee withholding taxes for a period of up to seven years.

For all taxable years beginning on or after January 1, 2013, owners of qualified facilities, in which at least sixty percent of the total cargo activity consists of international cargo, will be entitled to receive tax credits over a seven-year period equal to five percent of the eligible costs of such facility. The total amount of tax credits issued to such an owner cannot exceed twenty-five percent of the facility's eligible costs. Owners of qualified facilities, in which at least thirty percent of the total cargo activity consists of international cargo, as well as any qualifying assembly and manufacturing, or qualifying cold-chain facility will be entitled to receive tax credits over a seven-year period equal to three percent of the eligible costs of such facility. The total amount of tax credits issued to such an owner cannot exceed fifteen percent of the facility's eligible costs. Owners of eligible facilities will also be entitled to receive tax credits over a three-year period equal to seventy-five percent of a loan, provided the total loan amount is for no more than sixty percent of the eligible costs of the facility and has a rate equal to or less than seven percent per year.

In order to receive tax incentives provided under the act, owners and tenants of qualifying facilities must file applications with the department of economic development accompanied by a certificate of compliance. The act establishes limits on the amount of tax credits which may be issued annually to owners and tenants of qualifying facilities. No more than three hundred million dollars in tax credits, based upon the eligible costs of a qualifying facility, may be authorized for owners and tenants of qualified facilities under the act. The act limits the total amount of tax credits which may be authorized to owners and tenants of qualifying facilities, based upon loans, to no more than one hundred twenty million dollars.

All tax credits provided under the act will be fully transferrable and non-refundable, but may be carried forward up to six years.

The provisions of the act will automatically sunset six years from the effective date of the act unless reauthorized.

JASON ZAMKUS

SB390 - LEGISLATIVE TIMELINE

2011 Session

March 1: File the bill

March 3: Bill is 2nd read and referred to committee

March 9: Hearing on the bill in Jobs and Eco Devo Committee

March 16: Bill voted out of Jobs Committee.

March 17: Bill turned in to the Pro Tem (Begin Spring Break)

March 28: Bill placed on formal calendar

March 29: Bill heard for perfection on Senate floor

At this point everything leaves the realm of predictability, but the dates from here on represent the best possible scenario and assuming the Bill is perfected in one day....

March 29: Bill perfected

March 30: Bill referred to Fiscal Oversight

March 31: Bill heard in fiscal oversight

March 31: Bill voted out of fiscal oversight and turned in to the Pro Tem

March 31: Bill third read and passes the Senate

Note: We could also move the timeline up one week if we exec the bill out of committee the day it is heard.

April 4: Bill read 1st time in the house.

By April 7: Bill read 2nd time in the house and referred to a committee.

By April 14: Heard in house committee

By April 21: Voted out of house committee and turned into the Speaker - Speaker assigns the bill to Rules Committee

By April 28: Heard and voted out of Rules Committee and turned in to the floor

By May 6: Placed on House calendar, perfected and 3rd read for final vote. Bill passes the house (if the house has not amended the bill in any way from when it came over from the Senate)

Final week: Conference committee assignments, hearings, and final votes in both chambers.

Obviously the House timeline can be pushed up quite a bit if all of those deadlines happen early in the estimated weeks they are taken up.

Aerotropolis - FAQ

What is an “Aerotropolis”?

An Aerotropolis is essentially an airport-integrated region, extending as far as fifty miles from the inner clusters of distribution and logistics facilities. The airport itself becomes the nucleus of a New Economy based on the import and export of goods internationally with the ultimate aim of bolstering a region’s competitiveness, job creation, and quality of life.

Successful and thriving regions have always been defined by transportation systems. In the 1800s it was rail, the 1900s brought interstate highways, and today, the future belongs to air travel. In the thirty years between 1975 and 2005, world trade grew 355 percent. The value of air cargo climbed 1,395 percent during this same period, accounting for more than \$3 trillion, or more than a third of all the goods traded. The facilities and infrastructure surrounding O’Hare International Airport in Chicago are a testament to this rapidly-expanding air freight industry. There are more jobs in the O’Hare Air corridor than there are in downtown Chicago.

Throughout history businesses have concentrated in close proximity to roads and routes, where the access is greatest. In an Aerotropolis, the fundamental laws of real estate – location, location, location – have been supplanted by three new ones: access, access, access. It is no longer space; but primarily time and cost that are taken into consideration when making business decisions. It is no surprise that regions with multimodal efficient transportation systems have been especially successful. The Aerotropolis is designed to quickly process perishable cargo and goods in any form and supply the “need-it-right-this-second economy” to anywhere in the world. So many goods move by air either because of emergency, because of their value, or because it’s perishable, like the next-generation iPhone, fresh beef or pork and pharmaceuticals.

The Aerotropolis has an ability to create access to foreign markets for Missouri agricultural products and fast supply chains will attract companies to locate not only their distribution centers to Missouri, but because components are made in a dozens of different countries and assembled in a thirteenth, Missouri can capture those manufacturing jobs as well.

What is the purpose of the legislation?

The Aerotropolis Trade Act provides innovative economic development tools intended to grow Missouri manufacturing and agriculture by providing more efficient and lower cost access to new and emerging global markets previously unattainable, while also drawing new trade, investment and jobs into Missouri from abroad and from other regions of the U.S.

The Act would make Missouri and the St. Louis region a world-class international air freight ‘gateway’ and a regional supply point or “Aerotropolis” for the import, export and distribution of goods from around the world.

An international air freight ‘gateway’ at Lambert would lead to more competitively priced Missouri exports due to reduced transportation costs, resulting in greater worldwide demand for Missouri agricultural and manufactured products.

How does the Legislation work?

The Act provides the means to enable Lambert-St. Louis International Airport to capture an important share of Midwestern air-exports – those goods that are currently being shipped to foreign destinations through other airports in the Midwest – by offering incentives to the freight forwarders that make the outbound airport routing decisions to route and re-route their shipments, via truck, to Lambert. An “Air Export Tax Credit” will be issued to provide incentives for freight forwarders to choose Lambert for exporting freight to international destinations.

What is a freight forwarder?

A freight forwarder is an entity that manages the transportation of cargo from the place of receipt to the place of destination.

What is the credit for freight forwarders?

The credit will be based on the chargeable cost of the shipment of a kilo of freight (a “chargeable kilo”) on “Qualifying Outbound Flights,” which can only be direct flights to an international destination. The “Air Export Tax Credit” rates will be assessed at 25¢ for each chargeable kilo. To encourage the shipments of Missouri Agricultural Products, the rate is 30¢ for each kilo of perishable freight consisting of agricultural products, live animals and/or processed meat products. These rates will be indexed each year depending on the cost of fuel.

Why give incentives to freight forwarders?

Freight Forwarders are hired by companies to move products. Most companies don’t care what the route is or how the freight gets there; they just want the lowest cost to deliver their freight. By providing incentives to cover the additional cost of trucking the products to St. Louis and giving forwarders a small profit, we can direct enough freight to Lambert to fill initial departing international flights. The incentives to forwarders are necessary but have only short-term value. They create a mechanism to attract the first flights, but something additional is required to sustain and to grow the number of flights from two or three a week.

Once flights begin landing at the St. Louis Aerotropolis, how do we keep and grow the flights into something sustainable?

Additional incentives would be provided to importers and exporters to locate their facilities within the St. Louis region – facilities that receive, hold and distribute their inbound and outbound shipments. Incentives will be issued or granted for new construction within Gateway

Zones of 3 types of qualifying facilities. The qualifying facilities are also known as “Gateway Facilities”, “Cold-Chain Facilities”, and “Assembly and Manufacturing Facilities. The activity in these facilities will sustain early flights and increase demand for additional international flights. The activity in these facilities will grow the region into a world-class international air cargo hub and air cargo consolidation point—a Cargo Gateway. The incentives to “importers” to locate their operations in and around the region is the key ingredient in a strategy to anchor and grow an initial two flights per week into a self-sustaining twenty or more flights a week. This credit brings sustaining activity that anchors and grows the flights. It also brings permanent jobs and the trade and investment flows that all Missouri is seeking.

What is a gateway zone?

In the legislation, the “Gateway Zone” is the area designated to receive incentives under the Act, which must be within either: (1) a foreign trade zone within 50 miles of Lambert-St. Louis International Airport; (2) a site of at least 100 contiguous developable acres within 50 miles of Lambert; (3) a site of at least 100 contiguous or noncontiguous developable acres located within a designated urban renewal area or redevelopment area under an economic incentive law; (4) an area within the boundaries of Lambert; or (5) an area owned or managed by the Port Authority of the City of St. Louis. Currently, the Regional Chamber and Growth Association has identified at least a dozen sites that would qualify as Gateway Zones including the old Chrysler plant and the 370 Business Park in St. Charles.

What are the three types of facilities that will receive incentives in these Gateway Zones?

A Gateway Facility is a new building in which Air Cargo Activity occurs. The building is used for storage and transfer of imports and exports for foreign markets by Air Cargo.

An Assembly and Manufacturing Facility is a new building has within it equipment for manufacturing or assembly in which a majority of its production components are received through at least two modes of multimodal commerce, including road transportation, railroad transportation, water transportation or aircraft transportation, or from which a majority of its finished products are shipped through at least two modes of multimodal commerce.

A Cold-Chain Facility is a new building which 80% of the usable square footage of the facility is refrigerated has within it equipment for maintaining necessary temperatures for the processing, packaging and/or distribution of temperature-sensitive products primarily Agricultural or perishable goods.

How does this differ from any other building incentive?

In order for a “Gateway Facility” to qualify for incentives it has to generate real and measurable Air Cargo Activity. To receive Level 1 Air Cargo Activity Incentives at least 60% of the total distribution of goods and products are shipped on a Qualifying Outbound Flight (flight to a

foreign destination) or a Qualifying Inbound Flight (flight from a foreign destination). Eligible Facility Level 2 Air Cargo Activity is where at least 30% of the total distribution of goods and products at an Eligible Facility consist of those same two types of shipments.

The owners of Eligible Facilities must annually meet or exceed Level 1 Air Cargo Activity and satisfy certain other criteria to be eligible to annually receive tax credits equal to 5% not to exceed, in the aggregate, 25%, of the cost of development and construction.

The owners of Eligible Facilities must annually meet or exceed Level 2 Air Cargo Activity and/or satisfy certain other criteria are eligible to annually receive tax credits equal to 3% not to exceed, in the aggregate, 15% of the cost of development and construction.

Why is Air Transport important?

Viable air transport links are a key consideration in influencing where international companies choose to invest. The Act will cause both domestic and foreign commercial interests to increasingly view St. Louis and Missouri as the logical place for their operations and investments as they make their supply-chain location, relocation and investment decisions. If successful, this legislation will revitalize the St. Louis region and make St. Louis and Missouri major centers of commerce - as they were at the turn of the 20th century.

Is there enough freight volume to support this project?

In the last thirty years world trade grew over 10% per year. The value of air cargo climbed 1,395 percent accounting for more than \$3 trillion or more than a third of all the goods traded. Between the normal growth of air cargo internationally, greater access for Missouri and Midwest Agricultural products overseas and the ability to capture existing business found throughout the Midwest, the St. Louis Aerotropolis can capture an important share of Midwestern air-imports market and grow exponentially.

How can Lambert-St. Louis Airport compete with O'Hare for Midwest freight?

Chicago O'Hare International is land-locked and congested airport, and climate-challenged with severe winter weather. Lambert is uncongested with plenty of land to provide new or expanding businesses the opportunity to grow. The St. Louis region's strategic geography, transportation assets with access to river ports and major North-South and East West Highways make Missouri the perfect location for an Aerotropolis.

With Illinois and many major states facing severe budget shortfalls, Missouri can step up, compete and win by investing in new and innovative incentives while other states struggle under financial mismanagement.

Why do we need to act now?

While the specific incentives proposed by the Act are the mechanism that will actually make the achievement of “gateway” status possible, the message that the passage of the Act will send to Brazil, Russia, India, Asia, the foreign air freight carriers, the international freight forwarders, importers, and exporters is equally important and cannot be underestimated—it will say that Missouri has made a meaningful financial commitment to claiming an important place in the worldwide transportation and supply network.

The Act and the new economic development tools that it brings should be acted on quickly. China, although not our only targeted partner, is currently gauging the level of our commitment and the level of our understanding of the expanding nature of world trade. China, and others, are asking whether we can become serious partners in developing a new trade lane with new trade flows. We should act now and not be left again asking why we are not growing Missouri jobs.

Can we afford a new program with the budget shortfalls our state faces?

Missouri cannot solve its budget crisis until it expands its tax base without raising job-killing taxes. The best way to solve our current fiscal crises is to reduce our states high unemployment by creating new jobs. Missouri has already dramatically cut funding of job creating programs and as a result unemployment in Missouri is higher than all of our bordering states including Illinois. This Act will create jobs and expand the tax base.

The cost of this over the next three years is minor. In fact, the legislation is structured so Missouri taxpayers receive the benefits of new jobs, construction and the tax revenues generated by the new economic activity before the incentives are even issued.

The Act also provides additional state incentives at no new cost to the state because the incentives would only be based on business operations at new facilities that do not currently exist.

How does this program differ from most other economic development programs?

The buildings have to be built, operate for one year and have a certain volume of international trade or manufacturing before they receive any credits. The tax credits are required to be filed by December 31 of one fiscal year but would not be paid until the following fiscal year. This process eliminates the unknown cost factors and allows the legislature to know the actual costs of the program annually before adopting the budget unlike other tax incentive programs.

Is this more of the same—build it and they will come?

Applicants for the credit have to build and operate facilities for more than a year while providing proof of qualifying activity before the credits are issued. No one will build a cargo facility, cold storage facility or remanufacturing plant unless foreign air trade is growing and expanding. The

structure of the Legislation allows us to make an “offer” to the key players in international air commerce. The “offer” is on our terms. If they “accept”, they earn our financial support. If no one takes us up on our “offer”, then we have ventured very little.

Are there accountability measures in the legislation?

The Act incorporates numerous taxpayer protections, including caps, sunsets, high qualification and verification standards, and helpful application deadlines that facilitate budget planning.

Are there tough requirements to prevent fraud?

The tax incentive program for freight forwarders requires federal customs manifests to verify the shipping threshold requirements. Those manifests are difficult to secure without extensive documentation and verification. The tax incentive program for freight forwarders requires federal customs manifests to verify the shipping threshold requirements. Those manifests are difficult to secure without extensive documentation and verification.

If a Facility does not satisfy program requirements, the Missouri Department of Economic Development may recapture the amount of the state income tax that has been retained by the entity operating within, or a tenant in, the Eligible Facility for that year.

Will the Aerotropolis Legislation benefit one particular developer or group?

No, the legislation creates “gateway zones” in a huge expanded area of 50 miles from the airport. Already RCGA officials have identified over twelve zones that could qualify, including the Old Chrysler Plant in Fenton, 370 Business Park in St. Charles County and numerous other developable sites around the region. North Park, primarily an office-use (not industrial) development near the airport will likely have the majority of its property developed before the Aerotropolis legislation will have any impact.

Do we provide any incentives to the Republic of China or any other foreign government?

No, incentives are for businesses or freight forwarding companies.

Why here and why now?

China has recently said to Mayor Slay that China cannot move forward with its Lambert plans without the mechanisms that the Legislation provides. Other states are watching. They are studying the Legislation. China is at the table.

Few in the State ever believed that could be achieved. Other states are trying to figure out how we did that. If we fail to pass the Legislation, another Midwestern state will copy and adopt it. Why? Because China has already endorsed it by saying that it is “wise” and “imaginative”. And because few states would pass up the opportunity to begin a partnership with China as it takes its

first steps towards globalization – a phase that promises massive movements of capital and direct investment.

Why not just focus on trade with China?

While China may be our first trading partner, this Act takes a more global view and provides a broader, but strategically focused, offering that is designed to also link us to the cargo planes, airports and commercial interests of other parts of the Globe. It is designed to grow flight activity quickly. More incoming flights lead to reduced shipping costs and more competitively-priced Missouri exports - leading to greater worldwide demand for Missouri manufactured products.

What's the difference between Aerotropolis and China Hub Commission?

The China Hub Commission is a public-private collaboration among St. Louis and Missouri governmental officials and business associates working together to establish an economic partnership with China. The Commission has proposed that the St. Louis region become China's primary gateway into the American heartland through dedicated cargo flights. The Hub Commission has endorsed the Aerotropolis legislation because it assists the Commission in its goals, as well as targets air freight carriers from around the world to partner with our region. The Hub commission has other broad goals and objectives to make additional trade a reality which are not included or embodied in the Aerotropolis legislation.

Why Lambert-St. Louis International Airport?

Lambert-St. Louis International Airport is owned by the City of Saint Louis. Mayor Slay believes that Lambert's underutilized capacity; large blocks of undeveloped land in the region and unique location in the center of the United States with access to other transportation modes create a unique opportunity to create an Aerotropolis in the St. Louis region. He directed his Airport Director, Rhonda Hamm-Niebruegge to lead an effort to pass legislation in cooperation with St. Louis County, the business community, labor and agriculture groups.

What are the city of St. Louis and the St. Louis Region providing to support the Aerotropolis?

The St. Louis region is the economic engine of the state and provides tax revenues that fund schools, universities and programs in every corner of the state. St. Louis is asking for the state to invest some of those funds back into the region to create jobs and grow the economy. The growth will expand the tax base lessening the tax burden on Missourians everywhere, providing more revenue for critical programs like health care and education for all Missourians and provide access to foreign markets to help Missouri farmers and manufacturers.

St. Louis City owns the airport and is committed to providing staff, logistics, and significant resources both short and long-term to help the project succeed. Federal law limits resources the Airport can directly provide, however, the Airport can wave expensive landing fees for 18

months that would normally cost hundreds of thousands of dollars to provide an extra incentive to carriers.

St. Louis City and County will provide significant tax abatement and support potentially totaling millions. The China Hub Commission, St. Louis business groups, the City, and St. Louis County will all be involved by recruiting business and marketing the Aerotropolis – a major long-term and expensive commitment.

SB 390 Lobbying Team Conference Call
Wednesday March 23, 2011, 3:30pm
Dial-in: 712-451-6100, 782280#

I. Welcome/Airport Background *Rhonda Hamm-Niebruegge*

II. Update on Meetings *Sen. Eric Schmitt/Steve Stone*

III. Structure and Coordination *David Barklage*

- **Messaging**
- **Coalitions**
 - St. Louis
 - Ag
 - Labor

SB 390 Whip Sheet

Senator	Assignment	Support
Ron Richard		Hard yes
John Lamping		Hard yes
Eric Schmitt		Hard yes
Bob Dixon		Yes
Ryan McKenna		Yes
Victor Callahan		Yes
Brian Munzlinger		Yes
Bill Stouffer		Yes
Jack Goodman		Soft yes
Luann Ridgeway	TBD	Soft yes
Brian Nieves		Soft yes
Brad Lager		TBD
Mike Parson	Ron Richard	TBD
Jay Wasson	Ron Richard	TBD
Mike Kehoe	John Lamping	TBD
Jason Crowell	John Lamping	TBD
Chappelle-Nadal	John Lamping	TBD
Jolie Justus	Eric Schmitt	TBD
David Pearce	Eric Schmitt	TBD
Kurt Schaefer	Eric Schmitt	TBD
Tim Green	Eric Schmitt	TBD
Kevin Engler	Eric Schmitt	TBD
Robin Wright-Jones	Eric Schmitt	TBD
Scott Rupp	Brad Lager	TBD
Will Kraus	Brad Lager	TBD
Rob Mayer	John Lamping/Barklage	TBD
Joe Keaveny	Mayor Slay	TBD
Jim Lembke	TBD	TBD
Kiki Curls	TBD	TBD
Dan Brown	TBD	TBD
Chuck Purgason	Jewell Patek	TBD
Rob Schaff	Steve Stone	TBD

MCHC Executive Committee – 5-11-11

Conference Call Agenda

Calling from USA: 1-719-457-0613
Code: 310 998#

Calling from UK: 20 7082 0222
Code: 310 998#

Meeting agenda/notes:

Aerotropolis legislation review – last week of session

China Delegation Visits

- Shanghai FID delegation in STL
- Ministry of Agriculture seminar – August

China Eastern negotiation briefing

Economic Impact Analysis report

New Business

Follow up Action Items:

Next call to take place May 24th at 9:30 AM CST.



THE MIDWEST – CHINA HUB COMMISSION
美国中西部与中国战略经济发展委员会

April 13, 2011

Dear Senator Schmitt,

The Midwest China Hub Commission continues to pursue its goal of creating a new economic engine for Missouri through access to new markets for Midwestern goods. We believe Senate Bill 390/House Bill 840 is the next step needed in this process.

For more than two years, a consortium of public and private entities, leaders from the local, state and federal levels of government and a committed constituency of Chinese partners have been working towards a common goal. Businesses across the Midwest have expressed an interest in developing foreign markets for their products.

China is looking hard at St. Louis because it is in the center of the center and because of its other intrinsic assets, but China will go where they think they can succeed. Decision makers in Beijing have made it clear that public support and a willingness to partner in the development of a new air trade route is necessary for the success of this project. There are substantial risks for China, or any enterprise, seeking to compete against existing air cargo hubs and their proven consolidation and distribution capabilities. That's why the incentives in SB 390/HB 840 which target economic activity are so valuable.

If Missouri wants a role in air commerce and a place in global trade, then we will need a mechanism to catalyze that opportunity. SB 390/HB 840 provides the means to enable Lambert Airport to capture an important share of Midwestern air-exports, goods that are currently being shipped to foreign destinations through other airports in the Midwest, by offering incentives to the freight forwarders that make the outbound airport routing decisions to route and re-route their shipments to Lambert. The "importers" incentives to locate their facilities in and around the airport are the key ingredient in a strategy to anchor and grow an initial 2 flights per week into a self-sustaining 20 plus flights per week. The additional "warehouses" incentives that pertain to air cargo "activity" will grow the region into a world-class international air freight gateway and regional supply point, an "Aerotropolis." It is important to note that not one dime of state funding will flow until the freight is moving through Lambert Airport.

SB 390/HB 840 provides a plan for how to build freighter and gateway activity. Senator Schmitt, we are grateful for your support of this project and the leadership you have shown with this legislation. We fully support SB 390/HB 840 and stand ready to assist in your efforts to pursue it in the General Assembly.

We believe St. Louis is on the verge of a significant breakthrough in its effort to take a step in a new economic direction. It's time for St. Louis to better utilize its rightful place as a leader in logistics and freight movement. SB 390/HB 840 will provide the essential public incentive to attract external private investment to Missouri and ultimately create a path for economic expansion and job growth in St. Louis and across Missouri.

We are happy to discuss this in more detail at any time. Please let us know what we can do to support your efforts to pass this legislation. We look forward to hearing from you soon.

Sincerely,

Mike Jones
Chairman, Midwest China Hub Commission

Rich McClure
Chairman, Civic Progress

Dan Mehan
President, Missouri Chamber of Commerce